TO: Illinois State Board of Education
FROM: Robert E. Schiller, Superintendent
       David Wood, Director

Agenda Topic: Fiscal Year 2004 Budget

Materials: Calendar
           Revenue Update
           Education Appropriation Update
           Budget/Policy Issue Papers

Staff Contact(s): David Wood

Purpose of Agenda Item
To position the Board for discussions regarding the development of the FY04 budget.

Expected Outcome(s) of Agenda Item
The Board will understand the budget schedule and identify appropriate dates for Budget Hearings.

The Board will understand the state financial context in which the FY04 budget will be developed.

The Board will begin to discuss the overall structure of the FY04 budget.

Background Information
After several years of increased state appropriations due to strong economic growth and the Governor’s 51% pledge of new revenues to education, the ISBE budget began to retrench in FY02 and was actually reduced significantly in FY03.

The economic outlook is not expected to change significantly in the near term.
The General State Aid and Mandated Categorical appropriations are insufficient to fully fund the statutory formulas in FY03.

The Education Funding Advisory Board is expected to release it’s report in the next few months.

**Superintendent’s Recommendation**

The Superintendent recommends adoption of the proposed calendar.

**Next Steps**

See attached budget calendar.